with a guarantee cover of 50 per cent; (ii) increasing the guarantee cover under Credit Guarantee Scheme from 80 per cent to 85 per cent for credit facility up to Rs.5 lakh; (iii) an advisory to central Public Sector Enterprises to ensure prompt payment of bills of MSMEs; (iv) interest subvention of 2 per cent in pre and post-shipment export credit to small and medium enterprises (SME) sector; (v) refinance limit of Rs.7,000 crore to Small Industries Development Bank of India (SIDBI) for incremental on-lending to the MSE sector; (vi) grant of need-based *ad hoc* working capital demand loans up to 20 per cent of the existing fund-based limits; and (vii) reduction in interest rates for borrowing by micro enterprises by 1 per cent and for SMEs by 0.5 per cent.

Guidelines to Public Sector Banks on bad assets

306. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has recently issued guidelines to Public Sector Banks on bad assets; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) No, Sir. However, in the meeting of Chief Executives of the public sector banks (PSBs) and public financial institutions with the Finance Minister on 10.06.2009, a need was emphasised to closely monitor the restructured accounts to check the growth of potential non-performing assets. The PSBs were also advised to further enhance their provisioning coverage to maintain the strength of the Indian public sector banking system.

Proposal to increase income tax ceiling

307. SHRI SUBHASH PRASAD YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to increase the ceiling on Income tax exemption for all categories of tax payers;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) *Vide* the Finance (No.2) Bill, 2009, introduced in the Lok Sabha on 6th July, 2009, following changes have been proposed in the income-tax rate structure for the Assessment year 2010-11;

(i) In the case of every individual, Hindu undivided family, Association of Persons or Body of Individuals (whether incorporated or not) or Artificial Juridical Persons, the basic exemption, is proposed to be increased from Rs. 1,50,000/- to Rs. 1,60,000/-.

(ii) In the case of a woman resident in India who is below the age of 65 years, the basic exemption is proposed to be increased from Rs. 1,80,000/- to Rs. 1,90,000/-.